

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6837

BILL NUMBER: HB 1179

NOTE PREPARED: Jan 21, 2010

BILL AMENDED:

SUBJECT: Mechanic's Liens.

FIRST AUTHOR: Rep. Bartlett

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill allows an incorporated or unincorporated association that represents employees, employers, suppliers, or an employee benefit fund to file a statement and notice of intention to hold a mechanic's lien on behalf of a person who: (1) is a member of or participant in the association; (2) performed labor or furnished materials as described in the mechanic's lien law; and (3) may have a lien as set forth in mechanic's lien law.

Effective Date: July 1, 2010.

Explanation of State Expenditures:

Explanation of State Revenues: *Court Fee Revenue:* If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Summary:* If this provision were to lead to an increase in liens and more civil complaints filed, local revenues would increase. First, current law would require an "association" on

behalf of the person to file the lien with the county recorder. Assuming the lien document was one page, the recorder would collect \$6 for the page and \$1 for attesting the assignment of the lien. Additional pages would be charged a fee of \$2 apiece to record.

Court Fee Revenue: If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts, county recorder.

Information Sources:

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